



STATE OF OKLAHOMA  
OKLAHOMA HEALTH CARE AUTHORITY

**State Plan Amendment Rate Committee (SPARC) Agenda  
December 9, 2015 at 2:00PM  
OHCA Board Room**

**Rate Changes or Method Changes to be addressed:**

- 1) 3% Across-the-Board Provider Rate Reduction
  - a) Provider Rate Reduction.....1-2
  - b) Medically Fragile Waiver Rate Reduction.....3-4
- 2) Nursing Home Medicare Part A Crossover Claims Rate Reduction.....5-6
- 3) Direct Skilled Nursing Services
  - a) Medically Fragile Waiver Direct Skilled Nursing Services.....7-8
  - b) Advantage Waiver Direct Skilled Nursing Services.....9-10
  - c) Developmental Disabilities Services Direct Skilled Nursing Services.....11-12
- 4) Non-Invasive Prenatal Testing (NIPT).....13-14
- 5) Online Telemedicine Visits.....15

State Plan Amendment Rate Committee (SPARC)

December 9, 2015 at 2:00PM

**3.00% Across-the-Board Provider Rate Reduction**

1. **Is this a “Rate Change” or a “Method Change”?**

Rate Change

2. **Is this change an increase, decrease, or no impact?**

Decrease

3. **Presentation of issue – Why is change being made?**

The Oklahoma Health Care Authority (OHCA) recommends a revision, in the amount of a 3.00% reduction, to the current rates and reimbursement structure in the SoonerCare program. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

*Federal Requirements*

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

4. **Current methodology and/or rate structure.**

OHCA currently reimburses providers under a variety of different rate structures; diagnostic-related group (DRG), per diem, max fee, percent of Medicare, and a percent of costs are some examples. Our current rates reflect a 3.25% reduction and a 7.75% reduction from the applicable rate structures, implemented in April of 2010 and July 2014.

5. **New methodology or rate.**

Effective January 1, 2016, OHCA seeks to decrease the current applicable rates by 3.00% of the applicable rate structure.

The proposed reduction excludes services financed through appropriations to other state agencies, services provided under a waiver, and services where a reduction could severely limit access or not cover costs (in the aggregate). While this list is fairly comprehensive it is not exhaustive.

- Complex Rehabilitation Technology Provider Services
- Long term care facilities
- Child abuse exams

## State Plan Amendment Rate Committee (SPARC)

December 9, 2015 at 2:00PM

- Non-emergency transportation
- Insure Oklahoma
- Payments for drug ingredients / physician supplied drugs
- Services provided under a waiver (except Living Choice Demonstration which is included on this brief and Medically Fragile Waiver which will be mentioned in the following brief)
- Services paid for by other state agencies, excluding school based services
- Services provided to Native Americans through Indian Health Services / Indian/Tribal/Urban Clinics

**6. Budget estimate.**

Savings for the remainder of SFY2016 will be a decrease in the total amount of \$25,917,478; \$8,343,579 state share. The estimated savings for SFY2017 will be a decrease in the total amount of \$50,770,065; \$20,206,485 state share.

**7. Agency estimated impact on access to care.**

The Oklahoma Health Care Authority does not anticipate any impact on access to care. The Oklahoma Health Care Authority has appropriate measures in place to monitor any positive or negative impact to access or quality of care. In anticipation of the rate reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. Rate or Method change in the form of a motion.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the 3.00% rate reduction for all providers excluding those providers/services that have an exception provision.

**9. Effective date of change.**

January 1, 2016

State Plan Amendment Rate Committee (SPARC)

December 9, 2015 at 2:00PM

3.00% Medically Fragile Waiver Rate Reduction

1. **Is this a “Rate Change” or a “Method Change”?**

Rate Change

2. **Is this change an increase, decrease, or no impact?**

Decrease

3. **Presentation of issue – Why is change being made?**

The Oklahoma Health Care Authority (OHCA) recommends a revision, in the amount of a 3.00% reduction, to the current rates and reimbursement structure in the SoonerCare program. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

*Federal Requirements*

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

4. **Current methodology and/or rate structure.**

The current Medically Fragile Waiver rate structure for services for which a rate reduction is being implemented is a fixed and uniform rate configuration established through the State Plan Amendment Rate Committee process.

5. **New methodology or rate.**

Effective January 1, 2016, OHCA seeks to decrease the current Medically Fragile Waiver rates by 3.00%.

6. **Budget estimate.**

Savings for the remainder of SFY2016 will be a decrease in the total amount of \$21,335; \$8,323 state share. The estimated savings for SFY2017 will be a decrease in the total amount of \$128,009; \$50,947 state share.

7. **Agency estimated impact on access to care.**

The Oklahoma Health Care Authority does not anticipate any impact on access to care. The Oklahoma Health Care Authority has appropriate measures in place to monitor any positive or negative impact to access or quality of care. In anticipation of the rate

**State Plan Amendment Rate Committee (SPARC)**

**December 9, 2015 at 2:00PM**

reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. Rate or Method change in the form of a motion.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee approve the proposed 3% Medically Fragile Waiver rate reduction.

**9. Effective date of change.**

The effective date for the rate decrease is April 1, 2016.

**State Plan Amendment Rate Committee (SPARC)  
December 9, 2015 at 2:00PM**

**Nursing Home Medicare Part A Cross-Over Claims Reduction**

**1. Is this a “Rate Change” or a “Method Change”?**

Method Change

**2. Is this change an increase, decrease, or no impact?**

Decrease

**3. Presentation of issue – Why is change being made?**

The Oklahoma Health Care Authority (OHCA) recommends a revision to the current methodology for payment of crossovers.

The Oklahoma Health Care Authority Board must take action to reduce SoonerCare expenditures to file a balanced budget. As a result, OHCA recommends the following rate change. This change is being made to comply with the Oklahoma Constitution, Article X, Section 23, which prohibits a state agency from spending more money than is allocated.

Federal Requirements:

State Medicaid programs generally have considerable flexibility in determining the reimbursement methodology and resulting rate for services, within federally-imposed upper limits and specific restrictions. Section 1902(a)(30)(A) of the Social Security Act requires that State Medicaid programs must assure that payment rates :

- Be consistent with efficiency, economy and quality of care;
- Are sufficient to enlist enough providers so that Medicaid care and services are available under the state plan at least to the extent that such care and services are available to the general population in that geographic area.

**4. Current methodology and/or rate structure.**

OHCA current rate methodology pays 75% of Medicare Part A coinsurance and deductible on crossover claims to nursing homes.

**5. New methodology or rate.**

The proposed rate methodology is to pay 20% of Medicare Part A coinsurance and deductible on crossover claims to nursing homes.

**6. Budget estimate.**

Savings for the remainder of SFY2016 will be a decrease in the total amount of \$6,130,523; \$2,391,517 state share. The estimated savings for SFY2017 will be a decrease in the total amount of \$12,017,673; \$4,783,034 state share.

**7. Agency estimated impact on access to care.**

The Oklahoma Health Care Authority does not anticipate any impact on access to care. The Oklahoma Health Care Authority has appropriate measures in place to monitor any

**State Plan Amendment Rate Committee (SPARC)**

**December 9, 2015 at 2:00PM**

positive or negative impact to access or quality of care. In anticipation of the rate reductions, contracted providers were notified of upcoming budget cuts in an effort by the Oklahoma Health Care Authority to remain transparent during this process.

**8. Rate or Method change in the form of a motion.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee to approve the method change to pay 20% of Coinsurance and Deductible of Medicare Part A Crossover claims to nursing homes.

**9. Effective date of change.**

January 1, 2016

State Plan Amendment Rate Committee (SPARC)

December 9, 2015 at 2:00PM

Medically Fragile Waiver Direct Skilled Nursing Services

1. **Is this a “Rate Change” or a “Method Change”?**

Rate Change (New Code Added)

2. **Is this change an increase, decrease, or no impact?**

No Impact

3. **Presentation of issue – Why is change being made?**

The Oklahoma Health Care Authority (OHCA) recommends adding two new codes G0299 Direct skilled nursing services of a registered nurse (RN) and G0300 Direct skilled nursing of a licensed practical nurse (LPN).

The Centers for Medicare and Medicaid Services (CMS) has established new G-codes to differentiate levels of nursing services provided during a hospice stay and a home health episode of care.

4. **Current methodology and/or rate structure.**

The current rate structures for direct skilled nursing services are billed utilizing code G0154 for both RNs and LPN.

Service Description	Code	Current Rate	Unit
Skilled Nursing	G0154	\$13.50	15 minutes

5. **New methodology or rate.**

The table below indicates the new proposed codes and rates.

Service Description	Code	Rate	Unit
Skilled Nursing – Registered Nurse	G0299	\$13.50	15 minutes
Skilled Nursing – Licensed Practical Nurse	G0300	\$13.50	15 minutes

6. **Budget estimate.**

The addition of two new codes (G0299 and G0300) will result in no budget impact since the existing codes G0154 is currently being paid at the same rate of the two new proposed codes.

7. **Agency estimated impact on access to care.**

The development of two new codes will not have an impact to access and quality of care to SoonerCare members.

8. **Rate or Method change in the form of a motion.**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate



**State Plan Amendment Rate Committee (SPARC)**

**December 9, 2015 at 2:00PM**

Committee approve adding two new codes G0299 - Direct skilled nursing services of a registered nurse (RN) and G0300 - Direct skilled nursing of a licensed practical nurse (LPN) and establishing the \$13.50 rate.

**9. Effective date of change.**

January 1, 2016

State Plan Amendment Rate Committee (SPARC)

December 9, 2015 at 2:00PM

ADvantage Waiver Direct Skilled Nursing Services

1. **Is this a “Rate Change” or a “Method Change”?**

Rate Change (New Code Added)

2. **Is this change an increase, decrease, or no impact?**

No Impact

3. **Presentation of issue – Why is change being made?**

The Oklahoma Department of Human Services (DHS) recommends adding two new codes G0299 Direct skilled nursing services of a registered nurse (RN) and G0300 Direct skilled nursing of a licensed practical nurse (LPN).

The Centers for Medicare and Medicaid Services (CMS) has established new G-codes to differentiate levels of nursing services provided during a hospice stay and a home health episode of care.

4. **Current methodology and/or rate structure.**

The current rate structures for direct skilled nursing services are billed utilizing code G0154 for both RNs and LPN.

Service Description	Code	Current Rate	Unit
Skilled Nursing	G0154	\$13.50	15 minutes
Extended State Plan Skilled Nursing	G0154 TF	\$13.50	15 minutes

5. **New methodology or rate.**

The table below indicates the new proposed codes and rates.

Service Description	Code	Rate	Unit
Skilled Nursing – Registered Nurse	G0299	\$13.50	15 minutes
Extended State Plan Skilled Nursing	G0299 TF	\$13.50	15 minutes
Skilled Nursing – Licensed Practical Nurse	G0300	\$13.50	15 minutes
Extended State Plan Skilled Nursing	G0300 TF	\$13.50	15 minutes

6. **Budget estimate.**

The addition of two new codes (G0299 and G0300) will result in no budget impact since the existing codes G0154 is currently being paid at the same rate of the two new proposed codes.

7. **Agency estimated impact on access to care.**

The development of two new codes will not have an impact to access and quality of care to SoonerCare members.

**State Plan Amendment Rate Committee (SPARC)**  
**December 9, 2015 at 2:00PM**

**8. Rate or Method change in the form of a motion.**

The agency requests the State Plan Amendment Rate Committee approve adding two new codes G0299 - Direct skilled nursing services of a registered nurse (RN) and G0300 - Direct skilled nursing of a licensed practical nurse (LPN) and establishing the \$13.50 rate.

**9. Effective date of change.**

January 1, 2016

**State Plan Amendment Rate Committee (SPARC)  
December 9, 2015 at 2:00PM**

**Developmental Disabilities Services Direct Skilled Nursing Services**

**1. Is this a “Rate Change” or a “Method Change”?**

Rate Change (New Code Added)

**2. Is this change an increase, decrease, or no impact?**

No Impact

**3. Presentation of issue – Why is change being made?**

The Oklahoma Department of Human Services (DHS), Developmental Disabilities Services (DDS) recommends adding two new codes G0299 Direct skilled nursing services of a registered nurse (RN) and G0300 Direct skilled nursing of a licensed practical nurse (LPN).

The Centers for Medicare and Medicaid Services (CMS) has established new G-codes to differentiate levels of nursing services provided during a hospice stay and a home health episode of care.

**4. Current methodology and/or rate structure.**

The current rate structures for direct skilled nursing services are billed utilizing code G0154 for both RNs and LPN.

Service Description	Code	Current Rate	Unit
Skilled Nursing	G0154	\$13.50	15 minutes

**5. New methodology or rate.**

The table below indicates the new proposed codes and rates.

Service Description	Code	Rate	Unit
Skilled Nursing – Registered Nurse	G0299	\$13.50	15 minutes
Skilled Nursing – Licensed Practical Nurse	G0300	\$13.50	15 minutes

**6. Budget estimate.**

The addition of two new codes (G0299 and G0300) will result in no budget impact since the existing codes G0154 is currently being paid at the same rate of the two new proposed codes.

**7. Agency estimated impact on access to care.**

The development of two new codes will not have an impact to access and quality of care to SoonerCare members.

**8. Rate or Method change in the form of a motion.**

**State Plan Amendment Rate Committee (SPARC)**

**December 9, 2015 at 2:00PM**

The agency requests the State Plan Amendment Rate Committee approve adding two new codes G0299 - Direct skilled nursing services of a registered nurse (RN) and G0300 - Direct skilled nursing of a licensed practical nurse (LPN) and establishing the \$13.50 rate.

**9. Effective date of change.**

January 1, 2016

State Plan Amendment Rate Committee (SPARC)

December 9, 2015 at 2:00PM

Non-Invasive Prenatal Testing (NIPT)

1. **Is this a “Rate Change” or a “Method Change”?**

Rate Change

2. **Is this change an increase, decrease, or no impact?**

Increase

3. **Presentation of issue – Why is change being made?**

The Oklahoma Health Care Authority (OHCA) recommends adding a rate for codes (81420 and 81507) for non-invasive prenatal testing (NIPT). This is to provide NIPT for women with high-risk pregnancies (i.e. women over 35 and/or women who have had a positive conventional screen).

4. **Current methodology and/or rate structure.**

There is no set price for 81420 or 81507. Historically, NIPT has not been a covered service because the test was considered investigational and experimental.

5. **New methodology or rate.**

OHCA would like to set a rate for procedure codes 81420 and 81507 based on quotes received from providers of the NIPT service. OHCA reached out to NIPT providers and the best rate received was \$395, thus OHCA proposes the rate of \$395 for both codes. The technology for NIPT is now well-established and no longer considered investigational. The service is covered by most private payers and also some other State Medicaid agencies. Professional associations such as the American Congress of Obstetricians and Gynecologists (ACOG) and the American College of Medical Genetics and Genomics (ACMG) have released guidelines and opinions recommending that NIPT be an option for pregnant women at higher risk of having a pregnancy affected by Down Syndrome, Trisomy 18, or Trisomy 13.

6. **Budget estimate.**

The rate change will result in an annual budget increase of approximately \$953,530 total dollars, \$371,972 state share. This is based on 2,414 high risk women @ \$395 per test. The number of high risk women is estimated using data from Sequenom (one of the NIPT providers) on actual utilization in the commercial population (where NIPT is covered) along with estimates of Sequenom’s market share and OHCA’s share of OK pregnancies. To ensure services provided under the SoonerCare program adhere to the national standard of care, funding for NIPT is included in the OHCA’s budget.

7. **Agency estimated impact on access to care.**

This rate change should not have a negative impact to access and quality of care to SoonerCare members.

8. **Rate or Method change in the form of a motion.**

**State Plan Amendment Rate Committee (SPARC)**  
**December 9, 2015 at 2:00PM**

The Oklahoma Health Care Authority requests the State Plan Amendment Rate Committee approve the adding the procedure codes 81420 and 81507 with a rate of \$395 for Non-Invasive Prenatal Testing for women with high-risk pregnancies.

**9. Effective date of change.**

January 1, 2016

State Plan Amendment Rate Committee (SPARC)

December 9, 2015 at 2:00PM

Online Telemedicine Visits

1. **Is this a “Rate Change” or a “Method Change”?**

Rate Change

2. **Is this change an increase, decrease, or no impact?**

New rate / New code

3. **Presentation of issue – Why is change being made?**

To add CPT Codes 99444 - Online Medical Service provided by a physician and 98969 – Online Medical Service provided by an ARNP or PA.

4. **Current methodology and/or rate structure.**

None

5. **New methodology or rate.**

OHCA would like to set a rate for procedure codes 99444 (online medical service provided by a physician) and 98969 (online medical service provided by an ARNP or PA) based on current market rate for this service. The proposed rate would be \$45.

6. **Budget estimate.**

No initial budget impact; possible long-term savings from avoided ER visits and/or clinic visits.

7. **Agency estimated impact on access to care.**

Improved access to care.

8. **Rate or Method change in the form of a motion.**

The agency requests the State Plan Amendment Rate Committee approve the \$45.00 rate for code 99444 and 98969 for the Oklahoma Medicaid program

9. **Effective date of change.**

January 1, 2016